GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4866
ANSWERED ON:19.12.2002
REVIVAL OF N.P.P.C.
SUNIL KHAN

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

to reply to Unstarred Question No.2011 dated 15th March,2002 and state:

(a) whether the Government of Nagaland filed any appeal before Appellate Authority on Industrial and Financial Restructuring (AAIFR) against the order of BIFR regarding winding up of NPPC;

(b) if so, the details thereof alongwith present position in this regard;

(c) the name of the Operating Agency for Nagaland Pulp & Paper Company Limited (NPPC);

(d) whether Hindustan Paper Corporation Limited (HPC) has appointed and consultant for NPPC;

(e) if so, the details thereof;

(f) whether the said consultant has submitted any report;

(g) if so, the details of the report; and

(h) the action taken on the report for the revival of NPPC?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): The Bench passed a stay order against the winding up order of the Nagaland Pulp & Paper Company (NPPC) by Board for Industrial & Financial Restructuring (BIFR). In its hearing on 14.11.2002, the Bench granted an extension of three months time and has fixed the next date of hearing on 28.02.2003.

(c): The Board for Industrial & Financial Restructuring (BIFR) appointed the Industrial Development Bank of India (IDBI) as Operatin Agency (OA).

(d) & (e): Hindustan Paper Corporation Limited have appointed M/s. Development Consultants Pvt.Ltd. for preparing a Detailed Project Report on Nagaland Pulp & Paper Company (NPPC).

(f) &(g): M/s. Development consultant Pvt. Ltd. have submitted the Draft Detailed Project Report on revival and upgradation of Nagaland Pulp & Paper Company which mainly includes the following:-

- Upgradation of production projected to 45,000 Tonnes Per Annum (TPA) from 33,000 Tonnes Per Annum (TPA) of value added paper.

- Two alternative for meetings rehabilitation costs have been suggested:-

Alternative-I : Amounting to Rs.254 crore with the assumption that the Project cost will be funded by the Government of India (GOI) as debt and equity in equal proportion.

Alternative-II: Amounting to Rs.240 crore with the assumption that the entire project cost will be financed by the Government of India (GOI) as equity:

The key assumptions contained in the report are:-

(i) Project implementation in 24 months and the Mill achieving 70, 90 and 100 per cent capacity utilization in the 1st, 2nd and 3rd year respectively after commercial production.

(ii) Sustained supply of raw material.

(iii) Development of transport, infrastructure, and reliable communication network by the Government of Nagaland.

(iv) Attain complete self sufficiency in power steam generation.

(v) Adopt eco-friendly process technology for beaching.

(vi) Existing liabilities (accumulated loss of Rs.197.4 crore as on 31.3.2002) to be written off by the Government of India.

(vii) The financial viability of the project is most sensitive to variation in selling price, which is currently estimated at Rs.33,800 per tonne of finished product.

(h) Hindustan Paper Corporation Limited have submitted their comments to the Government.